



## **EXAMPLE ENABLING POLICY ENVIRONMENT PROGRAMS**

# South Asia Regional Initiative for Energy (SARI/Energy) Training

**Project:** South Asia Regional Initiative for Energy (SARI/Energy) Training

**Location:** Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka

**Key Issues:** Regional grid and energy exchange; legal, policy, and regulatory frameworks; regulation and regulatory bodies; energy efficiency

**Sector:** Energy industry, regulators, ministries of power and energy, independent power producers

**Application:** Efficient power-sector management and operation in a free-market environment

**Implementer:** Academy for Educational Development (AED)

**Duration:** 2000–2003

## Background

The South Asia Regional Initiative (SARI) is a multifaceted initiative aimed at fostering regional cooperation. The United States Agency for International Development (USAID) has focused one element of SARI on energy development (SARI/Energy) and encouraged the cooperation and eventual trade in energy resources among the countries of South Asia. Achieving this objective will require firm commitments by the governments in the region, through national policies and international agreements, to support cross-border cooperation in energy and to mobilize critical private-sector capital, technology, and management expertise.

The SARI/Energy Program serves as a vehicle to bring together energy-sector players from both public and private sectors across the region to discuss and resolve issues that impede cooperation and investment in energy development. Program support helps countries develop the appropriate policy, regulatory, and investment environments to encourage private-sector investment. Program support is designed to facilitate a long-term process of rationalizing energy supply and distribution across the region, which includes the development of the cross-border infrastructure and market mechanisms that will be required for eventual trade in electricity and natural gas.

The program's first phase is improving institutional and professional capacity for making decisions in sustainable energy development; promoting private-sector participation in and encouraging civil society support for energy development; and strengthening regional forums, networks, and associations for cooperation and advocacy on energy development. By fostering cooperation that builds on mutual economic interests, the program promotes the use of clean-energy technologies, helps

stimulate economic growth in the region, and expands US investment and export opportunities.

## USAID's Role

USAID provides funding to the AED to develop and provide training in South Asia.

## Project Activities

The SARI/Energy Program delivers training opportunities that bring regional leaders, experts, practitioners, and citizens together to learn, teach, study, and share experiences and best practices in environments that foster relationship building and greater communication and understanding of the technical, financial, social, and structural benefits, barriers, and issues related to cross-border cooperation on sustainable energy practices. AED's program includes four of the five training components of the SARI/Energy Training Project: regional grid and energy exchange; legal, policy, and regulatory frameworks; regulation and regulatory bodies; and energy efficiency.

The AED's role in this project is to help demonstrate the benefits of regional cooperation; transfer knowledge and skills to institutions and individuals; equip participants with social marketing skills; share global experiences and best practices (what does and does not work) in technical areas; and identify opportunities and barriers to regional cooperation in sustainable energy supply and use.

## Outreach to Stakeholders, Information Sharing, and Skill Building

During 2001, the AED developed and delivered 10 courses in the 4 technical areas in 4 countries. The AED training teams trained approximately 250 participants from Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka from ministries, other government agencies, power companies, the media, the private sector, and nongovernmental organizations. The AED also began the development of two distance-learning courses on Regulation and Environmental Impact Assessments and launched the training component of the project Web site. In the year 2002, 12 conventional courses and 4 distance-learning courses in all the programmatic areas are available. As of April, 89 participants have been trained in 3 courses.

Building a consensus among energy-sector professionals in the region who can initiate and influence policy changes requires the direct involvement of a variety of stakeholders from the region. The AED is reaching some stakeholders through conventional (face-to-face) training but is also reaching

out to a larger group of stakeholders with several alternative training approaches:

1. Distribution of course materials via CD-ROM so that participants can share the information with colleagues;
2. Placement of all course materials on the project Web site for remote access; and
3. Development of distance-learning courses (for the Web site and CD-ROM) to increase the audience outreach at minimal additional cost.

The basic objective of these strategies is to provide tools for multiplying the numbers of those exposed to the material and thus accelerate the process of awareness, understanding, and action. These materials also provide a way for course participants to reinforce their knowledge through easy access to the information. The philosophy underlying the AED approach is that the more people with access to information and understanding, the better the likelihood that policies will be implemented and supported.

## Capacity Building in the Region

The AED is actively exploring the possibility of strengthening the linkages between SARI/Energy and energy-training institutions in the region by creating knowledge centers that will ensure continuity of the initiative in energy cooperation and development in South Asia. About 30 institutions from all the SARI/Energy countries are being evaluated on the basis of technical credibility, expertise, resources, and willingness to actively participate. Ten technical areas related to regional energy issues have been identified, and about one institution per technical area will be selected. Through this, the AED will attempt to build capacity in the regional institutions to continue the work initiated under the SARI/Energy Project.

## Results

This program seeks a critical mass of participants who will return to their jobs after training and have an individual or collective impact on their colleagues and institutions regarding regional cooperation in energy. AED training activities provide opportunities for participants to interact with counterparts within the region; to increase understanding of neighboring country perspectives and options; and to strengthen networking with counterparts in other SARI/Energy countries. Training alumni are helping to spearhead policy changes by initiating dialogue and bringing regional issues in focus. More specific outcomes are listed below.

**Media Outreach** - In recognition of the strong influence of national and regional media on the public and opinion leaders, the AED held one training course specifically for the media about regulatory issues in South Asia. In addition, the AED encourages participation by journalists in other courses. Specific outcomes of these efforts include:

- Articles written in the Nepalese journal *Spotlight* - "There are Vast Opportunities for Regional Cooperation in Harnessing Energy"
  - "Private-Sector Participation Vital to Energy Restructuring"
  - "Nepal Should Develop Export-Oriented Power Projects."
- Articles written on energy theft by participants in the Billings and Collections course with follow-up articles subsequently prepared by two daily and weekly newspapers.

**Government** - Government officials are sharing information with colleagues after attending AED events. After attending a course on Marketing Energy Efficiency, the Director of the Information Technology Department at the Nepal Electricity Authority (NEA) reported that he was placing information on the NEA Intranet and the NEA Web site for the benefit of the staff and Nepalese people.

Participants from a course on Regulatory Commissions have incorporated lessons learned from the course into the development process of the Bhutanese Regulatory Commission and into Sri Lanka's pending electricity laws.

Upon completing a course on Billing and Collection Issues, a Nepalese participant has been working with his Director General at the NEA to initiate best practices learned from Bangladeshi, Sri Lankan, and Maldivian participants during the course.

**Private Sector** - A consultant from the Industrial Services Bureau in Sri Lanka reports that participation in the SARI/Energy course on Marketing Energy Efficiency contributed to convincing clients to invest in energy-efficiency projects. Attendance in the course taught him the tools he needed to make a convincing case to clients.

**Feedback** - Finally, the AED has received letters containing impressions and thanks for course materials from various participants, two examples of which are quoted below. Efforts will continue to capture the perceptual and tangible outcomes from the SARI/Energy initiative.

"The course [Standards and Labeling for Appliances] was quite relevant to India...as the GOI [Government of India] is about to establish a lead agency for implementation of the standards and labeling regime in the country. The experience of the other countries could be quite useful for framing strategies for enforcement of the regime," Deputy Secretary, Ministry of Power, GOI.

"I am entrusted with the responsibility of coordinating the restructuring process and the media...[attending the workshop] enabled me to exchange experiences and ideas...The exposure and experience I received at this workshop would...assist me in carrying out my duties..." Senior Assistant Secretary, Ministry of Power and Energy, Sri Lanka.

# South Asia Regional Initiative for Energy (SARI/Energy) Rural Electrification Services (RES)

**Project:** South Asia Regional Initiative for Energy (SARI/Energy) Rural Electrification Services (RES)

**Location:** Throughout South Asia (Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka)

**Key Issues:** Rural energy models and best practices in rural electrification in South Asia

**Sector:** Energy, rural energy development, renewable energy, financing

**Application:** Best practices in rural electrification operations, management, planning, and financing

**Implementer:** CORE International, Inc.

**Duration:** Series of targeted training courses from September 2000 through June 2003

through targeted training and institutional capacity-building activities.

## USAID's Role

USAID provides funding for SARI/Energy RES under the Electricity Generating Authority of Thailand/Energy and Environment Training Program (EETP). The SARI/Energy Program coordinates its efforts with the multilateral development banks (Asian Development Bank and World Bank), other bilateral agencies of various donor countries, the private sector, local NGOs, research institutes, industry associations, and other stakeholders.

## Project Activities

Through the EETP, CORE is implementing the RES component of the SARI/Energy Program. The RES Program focuses on sharing the best practices of the various rural electrification models in order to address the rural energy supply problem that exists throughout South Asia. The “keys to success” for increasing rural access to energy include building rural energy institutional capacity; involving the private sector in rural energy supply; and realizing best rural energy practices demonstrated in South Asia. Through targeted training activities, CORE is assisting political leaders, utility executives, the private sector, and other stakeholders to compare the differences between urban and rural distribution utilities and to build an understanding of the ways to best develop rural electric programs in South Asia and expand them beyond the supply of electricity only.

The five major components of the RES Program include (1) identifying a number of best practices regionally shared that will promote increased availability of commercial energy services to rural and/or lower income consumers, (2) identifying a number of new priority plans for increased rural electrification forwarded by regional governments, (3) increasing commercial energy services provided to rural and/or lower income consumers, (4) increasing the means for information exchanges for promotion of best practices, and (5) preparing trainers to transfer skills to increase the availability of commercial energy services to rural and/or lower income groups throughout the region.

## Background

The SARI/Energy Program was designed by the United States Agency for International Development (USAID) to assist South Asian countries in addressing the challenges of providing sufficient energy for continued economic growth. This regional initiative complements ongoing bilateral energy programs of the USAID, while coordinating the program's efforts with the multilateral banks (Asian Development Bank/World Bank), other bilateral agencies, local nongovernmental organizations (NGOs), research institutes, the private sector, and numerous other stakeholders. The SARI/Energy Program's objective is to improve South Asian country policies and agreements for cross-border cooperation for sustainable energy to facilitate the longer-term process of rationalizing the energy supply and its regional distribution. CORE International, Inc., is implementing the RES component of the program







CORE's Program activities include site visits and exchanges, workshops, roundtables, and in-class training. CORE has completed a workshop on Rural Energy Models and Best Practices in Bangladesh and five one-week courses for key South Asia energy officials on a variety of rural energy planning and implementation issues. These courses include tariff setting, application of renewable energy technologies to remote low-density loads, regulating rural electric utilities and off-grid supply systems, private power financing, and the roles of NGOs and village-level institutions in rural electrification program development and implementation.

## Results

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Because of USAID's efforts, SARI/Energy's RES Program is having an impact. Several examples worth noting include the use of the successful Bangladesh model of billing and collections by energy officials from Nepal and Sri Lanka; the use of Nepal's proven private power law by officials from Sri Lanka in developing their own private power law for rural applications; and the adaptation of successful elements of the World Bank/Global Environment Facility (GEF)-funded Energy Service Delivery Project (ESDP) implemented in Sri Lanka by energy officials from Bangladesh and Nepal. USAID will be supporting a follow-up survey of each of the more than 100 participants thus far in the program to document additional examples of how the SARI/Energy RES training activities have improved their country's approach to rural energy operations, planning, financing, renewable energy utilization, and rural energy development.

# Egyptian Environmental Policy Program (EEPP)

**Project:** Egyptian Environmental Policy Program (EEPP)

**Location:** Egypt

**Key Issues:** Environmental policy, institutional and regulatory reforms, energy efficiency, clean energy, waste management, sustainable tourism, nature conservation

**Sector:** Energy industry, regulators, ministries of power and energy

**Application:** Training, social marketing, consensus building

**Implementer:** Academy for Educational Development (AED)

**Duration:** 2000–2001

## Background

The EEPP is a multiyear activity to support policy, institutional, and regulatory reforms in the environmental sector that focus on economic and institutional constraints, cleaner and more efficient energy use, reduced air pollution, improved waste management, sustainable tourism best practices, and nature conservation. The EEPP is designed to enable the Government of Egypt to strengthen its priority environmental policies. It emphasizes improvement of the system of environmental management and related institutional capabilities, complements policy measures with related technical assistance, and is designed to maximize flexibility in addressing current and emerging issues in a dynamic policy situation. The EEPP reinforces policy development and implementation with public awareness and training to increase the participation of Egyptian partners, nongovernmental organizations (NGOs), and the general public, and to create environmental private-public partnerships.

## USAID'S Role

The United States (US) Agency for International Development (USAID) funded the AED to design and implement the public awareness component of the EEPP, working in concert with Egyptian counterpart agencies and other USAID-funded contractors.

## Project Activities

The AED provides public awareness, communication, and education support to the EEPP, a national program serving various stakeholder groups such as government, educators, NGOs, journalists, developers, investors, policy makers,

and the general public. Specific groups within the environmental community that the EEPP has closely supported include:

- The Egyptian Energy Service Business Association (EESBA). An industry association, EESBA addresses current market barriers facing the energy-efficiency business community and works toward solutions that expand energy-efficiency applications in Egypt. The association participates in policy development forums, communicates its message to target business groups and government leaders, and helps build the capacity of its members to meet market needs.
- The Organization for Energy Planning (OEP). An independent entity reporting to the Egyptian Ministry of Petroleum was created to undertake comprehensive and integrated energy planning within the framework of the socioeconomic development process in Egypt.
- The Energy Efficiency Council (EEC). A body of 12 organizations representing 7 ministries and 2 private-sector groups, the EEC was formed to develop a National Energy Efficiency Strategy (NEES) and foster interagency cooperation promoting and guiding energy-efficient practices in Egypt. The EEC is a voluntary consortium of organizations associated with the generation, distribution, and use of energy resources in Egypt.
- The Egyptian Syndicate of Journalists.
- The Ministries of State for Environmental Affairs, Electricity and Energy, and Petroleum.
- Egyptian preparatory and secondary teachers, educators, and educational NGOs.

## Results

The EEPP operated by the AED has reached millions of people in Egypt's urban population through various national press and national public awareness efforts — from sophisticated print media for the professional sector to more accessible general population outreach methods such as road signage. Direct participants in specific educational activities such as workshops include 65 environmental journalists from around the country; 517 teachers from 56 schools in 7 governorates; 170 librarians nationwide; and 20 NGOs from 14 governorates. In every case, efforts were made to achieve gender equity. Seventy-two products and publications were produced and distributed to over 400,000 people through these efforts. The general result has been an increased awareness

and public understanding of the benefits and importance of resource conservation and the institutions that are charged with their protection. More specific outcomes are listed below.

- EESBA: Through this program, the AED provided public awareness information and materials as well as support for the establishment of EESBA's membership, including energy service companies, energy-efficiency equipment and service providers, financial institutions, relevant government agencies, and consulting firms associated with the energy service business.
- OED: As part of the EEPP, the AED worked to strengthen OEP's institutional capacity through production and dissemination of public awareness and information materials on a national energy-efficiency strategy.
- EEC: The AED has worked with and contributed to the operation of the EEC and provided pivotal assistance in the development of the NEES.
- Egyptian journalists: The AED participated with others in staging a briefing on energy efficiency in Cairo in December 2001 for more than 65 journalists involved in the Egyptian Syndicate of Journalists. The session entitled "Energy Efficiency and Future Challenges" was organized to increase the knowledge and understanding of print and broadcast media representatives about energy resources, consumption patterns, and energy pricing. The session included a video produced by the AED featuring the history of energy and current energy-efficient technologies available in Egypt, along with best practices in energy conservation and presentations by the Egyptian Environmental Affairs Agency, EESBA, and other industry groups. Products from the session included a series of 10 fact sheets on energy consumption and energy-efficient technology in Egypt, produced and disseminated by the AED. Over 65 journalists attended the workshop representing public and private newspapers, TV stations, radio, and magazines.
- Ministries: The AED and the *Al Ahram* newspaper cosponsored a policy symposium on "Energy and Sustainable Development" in June 2001, spearheaded by the Minister of State for Environmental Affairs, the

Minister of Electricity and Energy, and the Minister of Petroleum. With 130 participants representing policy makers and academics, the seminar marked an important milestone as it gave the largest press institution in Egypt the opportunity to take ownership of the energy-efficiency issue and find a visible spot for it on the Egyptian political agenda. *Al Ahram*, the largest newspaper with the heaviest circulation in Egypt, featured full-page articles on the symposium and energy efficiency in Egypt in three subsequent issues of the Friday edition of the paper, the edition with the largest circulation. As a follow-on to these activities, a workshop was held, and the proceedings were published and disseminated widely among participants and other relevant stakeholder groups.

- EEC: The AED contributed to the public awareness of the EEC through publications and media coverage, resulting in the EEC being publicly acknowledged as the body leading the preparation of energy-efficiency policy. The AED sponsored a series of workshops and retreats for the development of the NEES, which serves as a road map to increase Egypt's efficient use of its natural resources. The project further assisted the EEC in forming strategic alliances with the media, investors' associations, NGOs, policy makers, financial institutions, international organizations, educational institutions, and research organizations.
- Educational community: The AED completed the research and development of an educational learning supplement for preparatory and secondary teachers in schools and educators in NGOs in Egypt. The learning supplement allows educators to integrate energy-efficiency concepts in existing curriculum and nonformal education programs. The package includes fact sheets, background papers, classroom-tested learning activities, a 15-minute video on energy efficiency in Egypt, and a CD-ROM. The learning supplement is distributed at workshops demonstrating the best use of the materials for age-appropriate learning experiences. These workshops build on previous solid waste management and environmental education workshops, both of which included sections on energy efficiency.

# Egyptian Electric Regulatory Project (EERP)

**Project:** Egyptian Electric Regulatory Project (EERP)

**Location:** Cairo, Egypt

**Key Issues:** Energy policy, institutional and regulatory reforms

**Sector:** Energy industry, regulators, ministries of electricity and energy

**Application:** Increased access to sustainable utility services

**Implementer:** Academy for Educational Development (AED)

**Duration:** August 1, 2001, to January 31, 2003

## Background

The Government of Egypt is establishing and organizing the Electric Utility and Consumer Protection Regulatory Agency as a financially independent regulatory agency within the Ministry of Electricity and Energy. The purpose of this program is to provide technical support and training to the Electric Utility and Consumer Protection Regulatory Agency regarding personnel, resources, and capacity building to assist the Managing Director and agency staff in becoming fully operational as rapidly and efficiently as possible.

## USAID'S Role

The United States Agency for International Development (USAID) mission in Egypt has had a long history of involvement in promoting change and sustainability in the Egyptian power sector. Beginning in 1994, the Government of Egypt enacted new laws and decrees that have resulted in major power-sector reforms. There is increasing recognition of the importance of private-sector participation, which requires the functioning of an independent regulator in order to be maximized. The program carried out by the AED reflects the continued commitment to power-sector restructuring and privatization by the Government of Egypt through support for improved decision making and management by host country institutions. It further reflects the long-standing commitment of USAID to meeting the challenges of economic, financial, social, and environmental sustainability of the Egyptian power sector. USAID is currently supporting four projects to reform the electricity sector, of which EERP is one. The EERP Team works closely with colleagues in other USAID energy projects.

## Project Activities

The EERP Team provides a combination of training and technical assistance. The project is leading 10 tasks, designed

to provide the needed technical assistance and training to the Regulatory Agency so that the agency is fully operational and the Managing Director and his staff are skilled at meeting the responsibilities assigned to them in the enabling Presidential Decree. Activities include development of a Strategic Plan and an Information Plan for the agency, together with the software and hardware to carry out the Information Plan. The EERP is providing technical assistance and training in tariffs, licenses, contracts, procedural guidelines for tariffs and licenses, codes of conduct for participants in a reformed, competitive power market, and development of a consumer protection system for the agency. The project brings specialists in utility regulation from the US for focused training events to complement the project training.



## Results

The EERP has provided significant technical assistance and training to the Egyptian Regulatory Agency since its launch in August 2001. As the agency's Managing Director, Dr. Mohammed El Sobki (pictured) continues to develop his technical team and office infrastructure. The EERP Team has served as his virtual staff and technical advisory team combined. Specific accomplishments and results of the program to date include:

- Publication of a series of more than 20 technical reports on the most pressing aspects of regulatory



**practice: licensing and tariffs. Result:** The agency is well-poised for licensing private entrants into the energy marketplace and for ensuring the creation of reasonable and fair tariffs as the advent of actual privatization draws near. Prompt and reasonable treatment will set an important tone for a smooth transition to the new market system.

- **Seven training presentations have been made with guest faculty from a range of areas of expertise in energy-sector regulation. Result:** Identified new regulatory staff have already secured a strong foundation of knowledge regarding their emerging roles and responsibilities. EERP's efforts are helping to ensure that the staff will be ready for the tasks ahead regardless of delays being experienced in formal staff hiring and reassignment.
- **Rules and procedures for the agency have been produced by the EERP, translated into Arabic, reviewed by legal counsel, and widely distributed. Result:** A most important tool for infrastructure development has been disseminated in a form readily accessible to all parties, helping to set an important tone of transparency that is a cornerstone of effective regulation.
- **Development of the Needs Assessment Report for the Information Management System. Result:** This document first provides the blueprint for equipment purchase, system design, and installation that will take place during this next phase of work. Second and more important, the designed system will facilitate accessibility to a complex flow of information in a manner that will underscore a philosophy of transparency. The system design effectively balances the need for confidentiality of data from market actors, while providing consumers and regulators with access to the information necessary for ensuring fair conduct and accomplishing the various regulatory oversight functions.
- **EERP senior team members and guest faculty participate in monthly meetings of the agency's Board of Directors. Result:** The initial commitment made by the Project Chief of Party to the Board of Directors when

the project was launched was to fully serve the needs of the agency and to act as an "extension of staff" until such time as the permanent staff is in place and fully functioning. This message has been consistently reinforced by the responsiveness of the EERP to the Board and Agency Director regarding inquiries on various regulatory issues, precedents, and challenges. The regular invited attendance of senior EERP staff underscores the regard in which the team and its work product is held by the Board of Directors, and is a relationship that helps to strengthen the confidence of decision makers, in general, regarding the uncharted waters of energy-sector reform.

There is a critical dimension to this list of accomplishments that must be recognized in any consideration of "results." The rapid development of technical products is helping to quickly educate all stakeholders, including the Agency Board of Directors, which approves agency expenditures and, as such, controls the speed with which the agency is deployed, thus ensuring that the reform process continues to move forward. The momentum created and sustained by the EERP Team is a strong impediment to the inertia that can sometimes plague processes of major change such as sector reform. As the project continues to maintain its steady pace and expand its audiences to the public sector and other indirect parties, the process of change may accelerate. Even so, regardless of the pace of change, a strong foothold of regulatory capacity has been built through the significant assistance of the EERP. As the next phase of work proceeds — including purchase and installation of the Regulatory Agency Information System, and two US-based Study Tours for staff, Board of Director members, and opinion leaders in the energy sector — market participants and consumers alike will expand their understanding of and faith in the independent role and functions of the emerging Egyptian Regulatory Agency.

